

MARYLAND TAXPAYERS ASSOCIATION

General Assembly update-Week of Feb 22

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Linked is a beautifully produced YouTube piece on **Argentina's decline** from the early 20th century to today. Free markets vs Socialism are issues we are debating today in this election year. It is short, but you may not want to leave the site as you find yourself singing along with **"Don't Cry for Me, Argentina."**
https://www.youtube.com/watch?v=33i_BAhuiE0.

Noticed: **Several bills create special funds and require annual deposits.** If passed, these would have the effect of adding to required spending when the budget is already too full of them. See SB 558 Baltimore Regional Neighborhood Initiative, HB1464 Open Space, and others. These "feel goods" should be nixed. There are also a number of bills promoting new task forces to study something.

A number of **Administration bills**, originally noted last week, are scheduled for Wed, Feb 24. Again, they are:

SB 375	The Pres (Admin), et al	Relief From Budget Mandates
SB 377	The Pres (Admin)	Admissions and Amusement Tax - Revenue Distribution - Maryland State Arts Council
SB 378	The Pres (Admin)	State Employees - Merit Increases in Salary
SB 379	The Pres (Admin)	Creation of a State Debt - Qualified Zone Academy Bonds
SB 383	The Pres (Admin), et al	State Transfer Tax - Distribution of Revenue
SB 384	The Pres (Admin), et al	Income Tax - Earned Income Credit - Refundability
SB 385	The Pres (Admin), et al	Corporations and Associations - Filing Fees - Reductions
SB 386	The Pres (Admin), et al	Tax Credits - Manufacturing Empowerment Zones
SB 387	The Pres (Admin), et al	Income Tax Exemption Amount - Elderly Individuals
SB 389	The Pres (Admin), et al	Fee, Surcharge, and Tax Reduction Act of 2016

Pay attention to SB385 and SB389 which would reduce many fees that were raised over the years since 2007. SB387 would increase the exemption for those over 65 from \$1000 to \$5000, which is another effort to keep income earning people in Maryland. Also, when they leave, younger family members sometimes go with them.

SB386 is an effort to induce companies to move to MD with empowerment zone special tax privileges, which would extend also to their employees. A question: Are the empowerment zones we already have truly successful?

Income taxes, personal and corporate, plus capital gains taxes are most useful in boosting economic growth. MTA would like to see serious tax (and regulatory) reform along these lines. If only both political parties could see the benefits to the people they represent from bipartisan reform.

B&T also has SB633 on Feb 25 which **would reform the pension system** badly in need of it. Pensions are paid mostly by private sector workers where only 5% even have pensions.

Education, Health & Environmental Affairs has SB496 on Feb 23 proposing an **integrator to manage poultry litter**. The Eastern Shore used to be *the* center for poultry farming. Due to a variety of anti-business policies much poultry raising has moved to state competitor North Carolina. This bill may be good, but....there are questions. Feb 26 has a slew of **Alcohol bills**.

House Environment & Transportation has two questionable bills. On Feb 23, HB460 would **marry home mortgage loans to the low income borrowers with student loan debt**. "Feeling Good Again." It used to be easier for students to work their way through college and come out debt free. It is the availability of these loans that has enabled colleges to charge higher tuitions every year. Attention and reform should instead be drawn to the increasingly bureaucratic universities. On Feb 26, **Greenhouse Gas reduction requirements** (HB610) would double to 40%, and no doubt, electricity would be far more costly. Germany went all in on this idea. Electricity there costs three times as much as here.